

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the Matter of:**

**Whitestone Credit Union  
15258 Millhouse Ct.  
Grand Haven, Michigan 49417,**

**Case No. 10-10922  
Agency No. 10-099-CU**

**Respondent.**

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Issued and Entered,  
This 9<sup>th</sup> day of September, 2010,  
by Stephen R. Hilker,  
Chief Deputy Commissioner

**TEMPORARY ORDER TO CEASE AND DESIST**

WHEREAS, the Commissioner of the Office of Financial and Insurance Regulation (“Commissioner”) is statutorily charged with the responsibility and authority to administer and implement the Michigan Credit Union Act (“MCUA”), MCL 490.101 *et seq.*; and,

WHEREAS, the Commissioner is granted general supervisory power over all domestic credit unions and non-federal foreign credit unions operating in the state of Michigan; and,

WHEREAS, a domestic credit union or non-federal foreign credit union desiring to operate as such in Michigan must first obtain the approval of the Commissioner under Section 301 or Section 501 of the MCUA, MCL 490.301 and 501; and,

WHEREAS, the MCUA prohibits any person from using the words “credit union” in its name, unless they are a credit union, a credit union trade association, or a credit union service organization; and,

WHEREAS, the Office of Financial and Insurance Regulation (“OFIR”) has received information Whitestone Credit Union (“Whitestone”) is operating a business in the State of Michigan at 15258 Millhouse Court, Grand Haven, Michigan 49417, and via the internet at [www.whitestonecreditunion.com](http://www.whitestonecreditunion.com), and by telephone at (877) 762-1458; and,

WHEREAS, Whitestone’s website and telephone answering service, as well as other consumer communications, state that Whitestone is a credit union; and,

WHEREAS, Whitestone is not a domestic credit union organized under Section 301 of the MCUA, MCL 490.301, and it is not authorized to conduct business as a domestic credit union in the State of Michigan; and,

WHEREAS, Whitestone is using the words “credit union” in its business name in violation of Section 104 of the MCUA, MCL 490.104; and,

WHEREAS, Whitestone’s ongoing business operations constitute a continuing violation of the MCUA; and,

WHEREAS, the Commissioner having, therefore, served upon Whitestone a Notice of Charges and Notice of Hearing in accordance with Section 210 of the MCUA, MCL 490.210; and,

WHEREAS, Section 211(1) of the MCUA, MCL 490.211(1), provides that “(i)f the commissioner determines that a violation or threatened violation or an unsafe or unsound practice or practices specified in the notice of charges served upon a domestic credit union under section 210, or the continuation of the violation or practice, is likely to cause insolvency or substantial dissipation of assets or earnings of the domestic credit union , or is likely to otherwise seriously prejudice the interests of its depositors, the commissioner may issue a temporary order requiring the domestic credit union to cease and desist from that violation or practice”; and,

WHEREAS, Section 211(2) of the MCUA, MCL 490.211(2), provides that “[w]ithin 10 days after a domestic credit union has been served with a temporary cease and desist order under subsection (1), the domestic credit union may apply to the circuit court for the county in which the principal office of the domestic credit union is located for an injunction setting aside, limiting, or suspending the enforcement, operation, or effectiveness of the order pending the completion of the proceedings under section 210”; and,

WHEREAS, the Commissioner having determined that:

1. Whitestone’s ongoing business operations as an alleged “credit union” violate Section 301 of the MCUA, MCL 490.301.
2. Whitestone is using the words “credit union” in its business name in violation of Section 104 of the MCUA, MCL 490.104.
3. Whitestone’s ongoing business operation as an alleged “credit union” constitutes a continuing violation of the MCUA.
4. Whitestone’s unlawful business operation is “likely to otherwise seriously prejudice the interests of its depositors.”

The Commissioner being fully advised in the premises.

NOW, THEREFORE, IT IS ORDERED, pursuant to Section 211 of the MCUA, MCL 490.211, that:

1. Respondent shall immediately **CEASE AND DESIST** from conducting any and all business operations as Whitestone Credit Union in violation of Sections 104 and 301 of the MCUA, MCL 490.104 and MCL 490.301.
2. Respondent shall immediately **CEASE AND DESIST** from conducting any and all business operations through [www.whitestonecreditunion.com](http://www.whitestonecreditunion.com).

3. Failure to comply with this ORDER may subject you to a criminal penalty of not more than \$25,000 for each violation, or imprisonment of not more than 10 years, or both.

4. If Whitestone fails to apply to the circuit court for the county in which the principle office of the domestic credit union is located for an injunction setting aside, limiting, or suspending the enforcement, operation or effectiveness of this TEMPORARY ORDER TO CEASE AND DESIST within 10 days after having been served with same, this TEMPORARY ORDER TO CEASE AND DESIST shall remain in effect and enforceable until a the completion of the proceedings under MCL 490.210.

5. The Commissioner retains the right to pursue further administrative action against Whitestone should the Commissioner determine that such action is necessary and appropriate in the public interest, for the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the MCUA.

6. Any contact with OFIR must be directed to Roger W. Little, Deputy Commissioner, Office of Financial and Insurance Regulation, P.O. Box 30220, Lansing, MI 48909, Telephone: (517) 373-7216; Fax: (517) 335-0908.

IT IS SO ORDERED.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

  
Stephen R. Hilker  
Chief Deputy Commissioner

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

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**Office of Financial and Insurance Regulation,**

**Petitioner,**

**Case No. 10-10922  
Agency No. 10-099-CU**

**v.**

**Whitestone Credit Union,**

**Respondent.**

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**For the Petitioner:**

**James Westrin (P-67066)  
611 West Ottawa Street  
Third Floor  
Lansing, Michigan 48933  
(517) 335-3369**

**For the Respondent:**

**Whitestone Credit Union  
15528 Millhouse Court  
Grand Haven, Michigan 49417**

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**Issued and Entered,  
This 9th day of September, 2010,  
By Stephen R. Hilker,  
Chief Deputy Commissioner**

**ORDER FOR HEARING  
AND  
ORDER TO RESPOND**

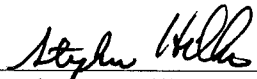
In the attached Notice of Charges are allegations that Respondent has violated the Michigan Credit Union Act. A hearing is required to determine the validity of the allegations.

Therefore, it is **ORDERED** that:

1. A hearing shall be scheduled in conformity with the attached Notice of Hearing.
2. A copy of this Order, the Notice of Charges and Notice of Hearing, and Temporary Order to Cease and Desist shall be sent to the Respondent.
3. Within 21 calendar days of the date of this Order, the Respondent shall either:
  - (a) Agree to a resolution of this contested case with the opposing party and file an agreed settlement signed by the parties.
  - (b) File an answer to the allegations in the Notice of Charges.
  - (c) File a statement that Respondent plans to attend the hearing as scheduled or file a request for an adjournment that states the reasons why an adjournment is necessary.
4. The filing must be received by this agency no later than 21 days from the date of this Order. The filing shall be submitted to Michelle Tullar, Hearings Coordinator. Her street address is 611 West Ottawa Street, Third Floor, Lansing, Michigan 48933. Her e-mail address is [TullarM@Michigan.gov](mailto:TullarM@Michigan.gov). Her fax number is (517) 373-1224.
5. Failure to make the required filing shall constitute the default of the Respondent in this contested case.
6. Upon failure by the Respondent to timely respond as required in paragraph 3 above, the Hearings Coordinator shall report this to the Petitioner's attorney identified in this Order.
7. The Petitioner's attorney shall file a motion with the Commissioner for a Final

Order for Hearing and Order to Respond  
Case No. 10-10922  
Agency No. 10-099-CU  
Page 3

Decision based upon the default. The attorney shall consider the allegations in the  
Notice of Charges as true and seek the issuance of a cease and desist order.

  
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Stephen R. Hilker  
Chief Deputy Commissioner

